REMARKS

In the Office Action mailed on March 8, 2006, claims 16-18, 20, 21, 29, and 30 were rejected under 35 U.S.C. § 102(e) as being anticipated by Brown et al., U.S. Patent Application Publication No. 2002/0118111 A1 ("*Brown*"); and claims 1, 2, 5-15, 19, 22, 31, and 32 were rejected under 35 U.S.C. § 103(a) as being obvious over *Brown*.

Applicant respectfully traverses the rejection of claims 16-18, 20, 21, 29, and 30 under 35 U.S.C. § 102(e) as being anticipated by *Brown*. To anticipate a claim, the reference must teach every element of the claim. M.P.E.P. § 2131.01.

Claim 16 recites a system including, for example:

> a first secure area;
> a plurality of second secure areas accessible from the first secure area, one of which is assigned to a customer;
> a rental component . . .;
> an access controller . . .;
> a return component that generates a return list of rental equipment items returned to the second secure area by the customer and determines at least one missing rental equipment item listed on the rental list but not listed on the return list; and
> an invoice component that bills the customer for a cost associated with the missing rental equipment item.

(emphasis added). *Brown* does not disclose each and every element of Applicant's claimed invention. *Brown* discloses a "system and method for monitoring the movement of goods with the identity of an individual" (paragraph 0016). Objects are stored in storage room 110 (Fig. 1A and 1B and paragraph 0020). Storage room 110 is accessed via locking mechanism 170 and locking mechanism controller 180 (paragraph 0025). The locking mechanism 170 allows user access to storage room 110.

The Office Action states that the claimed first and second secure areas are "broad enough to read on two areas of room 110" (Office Action at page 2). Applicant respectfully disagrees. In *Brown*, the user can enter storage room 110. Once the user is inside, the user has access to all areas of the room. All items within the room are accessible, and no items within the room are within a second secure area. Because the user has access to all parts of storage room 110, no second secure areas exist. There is one secure entrance to storage room 110, and once the user is inside the room, the user may access all parts of the room. Therefore, *Brown* does not teach "a plurality of second secure areas accessible from the first secure area, one of which is assigned to a customer," as recited in claim 16.

Moreover, in *Brown*, "the user or other consuming party may be automatically billed for the objects in inventory" (paragraph 0033). Even assuming that *Brown* can associate items with a user and can bill the user for those items, *Brown* does not teach determining "at least one missing rental equipment item listed on the rental list but not listed on the return list", as further recited in claim 16. The user, in *Brown*, may be billed for items taken from inventory. There is no teaching that the user is billed when the user returns the items. *Brown* discloses an auto-return (paragraph 0033), but this auto-return is not associated with billing the user. As shown in Fig. 3, billing occurs when the user removes the items, and the auto-return is separate from billing. Therefore, *Brown* does not teach "an invoice component that bills the customer for a cost associated with the missing rental equipment item", as further recited in claim 16.

Brown fails to teach at least these elements. Accordingly, *Brown* cannot anticipate claim 16. Thus, claim 16 is allowable for at least these reasons and claims

17, 18, and 21, which depend from claim 16, are also allowable for at least the same reasons.

Independent claim 29, while of a different scope, recites limitations similar to those of claim 16 and is thus allowable over *Brown* for at least the same reasons discussed above with regard to claim 16. Moreover, claim 30 is allowable at least due to its dependence from claim 29.

Applicant respectfully traverses the rejection of claims 1, 2, 5-15, 19, 22, 31, and 32 under 35 U.S.C. § 103(a) as being obvious over *Brown*. To establish a *prima facie* case of obviousness under 35 U.S.C. § 103(a), the reference or references, taken alone or combined, must teach or suggest each and every element recited in the claims. MPEP § 2143.03. *Brown* does not teach or suggest each and every element of claims 1, 2, 5-15, 19, 22, 31, and 32. A *prima facie* case of obviousness has, therefore, not been established.

Claim 1 recites a method including, for example:

> storing a rental list of a plurality of rental equipment items removed by a customer from one of a plurality of second secure areas connected to a first secure area, the one second secure area being assigned to the customer;
>
> after the rental list has been stored, sensing the identity of the customer in proximity to the first secure area;
>
> selectively providing the customer access to the first secure area based upon the sensed identity of the customer;
>
> selectively providing the customer access to the second secure area assigned to the customer based upon the sensed identity of the customer;
>
> after the customer is provided access to the second secure area, automatically generating a return list of rental equipment items returned to the second secure area by the customer;
>
> determining at least one missing rental equipment item listed on the rental list and not listed on the return list; and

storing a designation of the at least one missing rental equipment item together with an identifier of the customer.

(emphasis added). *Brown* does not teach or suggest at least these emphasized steps. The Office Action states that "language reciting the 2nd secure area is assigned to the customer has been considered but is not taken as a method step" (Office Action at page 4). The language referred to by the Examiner serves to further define the second secure area. In order to practice the claimed invention, the step of "selectively providing the customer access to the second secure area" is met only when the customer is permitted to access a secured area assigned to herself. Thus, this limitation must be given weight by the Examiner. *Brown* does not disclose nor suggest a second secure area that is assigned to a particular customer, nor does *Brown* disclose or suggest selectively providing access to such an area.

In *Brown*, storage room 110 is accessed via locking mechanism 170 and locking mechanism controller 180 (paragraph 0025). The locking mechanism 170 allows user access to storage room 110. Once the user is inside, the user has access to all areas of the room. All items within the room are accessible, and no items within the room are within a second secure area. Because the user has access to all parts of storage room 110, no second secure areas exist. There is one secure entrance to storage room 110, and once the user is inside the room, the user may access all parts of the room. There is no part of the room to which access may be selectively granted to the user. Therefore, *Brown* does not teach the step of "selectively providing the customer access to the second secure area assigned to the customer based upon the sensed identity of

the customer," as recited in claim 1. Thus claim 1 and claims 2, 5, 6, and 7, which depend therefrom, are patentable over *Brown*.

With regard to independent claim 8, the Examiner acknowledges that *Brown* does not disclose or suggest "automatically generating a return list of each piece of equipment sensed being moved into the secure area," "determining at least one missing rental equipment item listed on the rental list but not listed on the return list," or "alerting the customer to return the missing rental equipment item to the secure area." Claim 13 contains similar limitations. To compensate for these deficiencies in *Brown*, the Examiner has taken "Official Notice" with regard to the manner in which video rental stores operate. The Office Action states that in the business of doing rentals "one of ordinary skill in the art would most assuredly be concerned with missing inventory that has not been returned" (Office Action at page 5). The Office Action also states that "the instant examiner . . . has personally been involved with calling the customers on the phone to ask them to return movies that have not been returned. The Office Action takes 'offical notice' that the act of alerting customers to the fact that they have neglected to return a rented item is old and well known in the art, and was in public use much prior to the filing date of the instant application" (Office Action at page 5).

Even if such assertions are true, the Examiner's "Official Notice" has not provided a teaching for at least the step of "automatically generating a return list of each piece of equipment sensed being moved into the secure area" as recited in claim 8. When videos are returned or scanned in, the returned item is removed from the rental list. A new return list is <u>not</u> generated.

When videos are returned to a rental store, a return list is not automatically generated. Rather, when a user returns a video, an employee of the video store must retrieve the video and enter the video information by, for example, scanning the video barcode, manually entering the information in a computer, or associating the video with a written list of rented videos. The returned video is associated with the account of the user that rented the video, and the video may be removed from the account. Removal of a video from a user's account, however, does not teach generating a return list.

Moreover, even if a rental store could generate a return list, absent any teaching in prior art, an employee must enter the video information. Therefore, because a return list may only be generated by the employee's interaction with the video, the method of returning videos to a video store does not include the step of "automatically generating a return list of each piece of equipment sensed being moved into the secure area", as recited in claim 8. Therefore, the prior art does not teach "determining at least one missing rental equipment listed on the rental list but not listed on the return list", as further recited in claim 8.

Accordingly, *Brown* fails to establish a *prima facie* case of obviousness with respect to claim 8. Claims 9-12 depend from claim 8, and are thus also allowable over *Brown* for at least the same reasons as claim 8. Thus, for at least this reason, claim 8 and claims 9-12, which depend therefrom, define over *Brown* in combination with the manner in which rental stores operate. As previously noted, claim 13 contains recitations similar to those discussed above with respect to claim 8. For at least the same reasons discussed above, independent claim 13 and dependent claims 14 and 15

are patentable over *Brown*. Applicant requests reconsideration of the rejection and allowance of these claims.

Claim 31 recites the step of "automatically billing the customer for the use of the missing rental equipment item." As discussed above, *Brown* does not contemplate automatically billing the customer when other items are returned. *Brown* only bills the user for items removed from the storage room 110. Therefore, *Brown* does not teach "determining a missing rental equipment item previously removed from the secure area by the customer but not among the plurality of pieces of equipment moved within the predetermined distance from the entrance of the secure area" and "automatically billing the customer for use of the missing rental equipment item."

The Office Action states that one of ordinary skill "would have been motivated to bill the customer for items that are not returned so that the rental business owner would not be losing inventory without proper compensation" (Office Action at pages 6-7). Even assuming that billing customers for items that are not returned is well known in the art, this billing occurs when an employee (e.g., at a video store) manually enters the information for the videos that are returned and determines that other videos are due and have not been returned. If videos are overdue, the employee may call the user and inform her that a video is overdue and that a late fee may be associated with the video. However, a bill is not generated until the person returns the overdue video. Once the video is returned, a late fee is charged associated with the number of days that the video is overdue. The customer is billed based on how long she kept the video past the due date. The bill associated with the late fee is generated, and the customer is billed, when the overdue video is returned. Alternatively, if the customer never returns the

video, the customer will be billed after appropriate steps have been taken to remind the customer to return the video and to warn the customer that she will be charged if the video is not returned. Therefore, this method of billing a customer does not include the step of "automatically billing the customer for use of the missing rental equipment item" once it has been determined that an item is missing, at least because the customer is not billed until the overdue videos are returned.

Accordingly, *Brown* fails to establish a *prima facie* case of obviousness with respect to claim 31. Claim 32 depends from claim 31 and is thus also allowable over *Brown* for at least the same reasons as claim 31.

In view of the foregoing remarks, Applicant respectfully requests reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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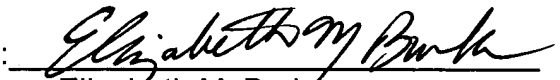
By: 
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